



September 17, 2003

Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
One South Station, 2nd floor
Boston, MA 02110

RE: D.T.E. 02-40-C Investigation by the Department of Telecommunications and Energy on its own Motion into the Provision of Default Service.

Dear Ms. Cottrell,

The purpose of this letter is to respond to the Department of Telecommunications and Energy's (Department) order in the above-referenced docket. In its September 11, 2003 Order, the Department directed distribution companies, including Fitchburg Gas and Electric Light Company ("Fitchburg" or "FG&E") to implement a three-month Default Service solicitation process for large customers. At footnote 12, page 22, the Department indicated that for Fitchburg, the three-month procurement process would apply only to our G3 rate class customers.

Pursuant to prior Department orders, which sought to accommodate Fitchburg's relatively small service area, Fitchburg has procured Default Service for two groups of customers: (1) a group of small customers consisting of Residential and Small C&I rate classes RD-1, RD-2, and GD-1; and (2) a group of large customers consisting of Commercial/ Industrial rate classes GD-2, GD-3, GD-4, GD-5 and SD. It is our understanding that other distribution companies in the Commonwealth have procured Default Service for three groups of customers. A potential interpretation of the Department's Order in D.T.E 02-40-C is that Fitchburg would now be required to solicit Default Service for three separate rate groups, since the Order requires the G3 rate class supply to be procured for separately on a three month basis. Fitchburg does not believe there was any active consideration of requiring FG&E to solicit for three customer groupings during the D.T.E. 02-40-C proceeding. Fitchburg is concerned that separating the GD-3 class from the large customer group described above will result in two new customer groups that may be too small to generate an effective solicitation response. This would give Fitchburg a total of three customer groups; a consequence Fitchburg believes was not intended.

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Fitchburg is supportive of the shorter period procurement process affected by the Department's Order. We recommend that an appropriate means for Fitchburg to implement the Order would be for Fitchburg to maintain its two currently defined customer groups, as described above, and to implement the three-month supply procurement for the large customer group. Fitchburg believes that the critical mass established by the current customer groupings and the familiarity of suppliers with the current groupings will benefit our customers by resulting in the most favorable market response. This approach will maintain consistency of historical load data bases that are provided to suppliers and will minimize load additional allocation requirements associated with implementing a different set of customer groupings.

Fitchburg requests the Department's consideration and acceptance of this proposal at its earliest convenience. It is our understanding, based on comments from suppliers, that there will be several large solicitations for load-following service issued in New England in the next few weeks. Fitchburg believes that its default service solicitations will receive a better response if its solicitation is issued and completed prior to these other large solicitations.

Very truly yours,



David K. Foote
Senior Vice President

Cc: Jeanne Voveris
Barry Perlmutter